



IA 2210 Schedule A1 2004

Annualized Income Installment Method

NAME		Social Security Number			
		1/1/04-3/31/04	1/1/04-5/31/04	1/1/04-8/31/04	1/1/04-12/31/04
1.	Enter your net income (line 26 IA1040) for each period				
2.	Annualization amounts	4	2.4	1.5	1
3.	Annualized income. Multiply line 1 by line 2				
4.	Enter your federal tax payments for each period, net of any refund (use a negative number if the net amount is a refund)				
5.	Annualization amounts	4	2.4	1.5	1
6.	Multiply line 4 by line 5				
7.	Enter your Iowa Itemized deductions for each period				
8.	Annualization amounts	4	2.4	1.5	1
9.	Multiply line 7 by line 8 (see instructions if line 3 is more than \$71,350)				
10.	Standard deduction, enter full year amount in each period				
11.	Enter the larger of line 9 or line 10				
12.	Subtract lines 6 and 11 from line 3				
13.	Figure your tax on the amount on line 12 (see instructions)				
14.	Enter any Iowa Lump-Sum tax and Iowa Minimum Tax for each period (see instructions)				
15.	Total tax. Add lines 13 and 14				
16.	Enter your exemption credits for the year (dollar amount)				
17.	For each period enter your credits from Form IA 1040, lines 48, 49, 52 and 54 (see instructions)				
18.	For each period enter your credits from Form IA 1040, lines 63, 64, 65, and 66 (see instructions)				
19.	Balance. Subtract lines 16, 17 and 18 from line 15				
20.	Applicable percentage	22.5%	45%	67.5%	90%
21.	Multiply line 19 by line 20. Note: Complete lines 22-28 of one column before going to the next column.				
22.	Add the amounts in all preceding columns of line 28				
23.	Subtract line 22 from line 21. If zero or less, enter -0-				
24.	Enter 1/4 of line 10 of Form IA 2210 in each column				
25.	Enter amount from line 27 of the preceding column				
26.	Add lines 24 and 25 and enter the total				
27.	Subtract line 23 from line 26. If zero or less, enter -0-				
28.	Enter the smaller of line 23 or line 26 here and on line 12 Form IA 2210				

IA2210 Schedule A1

General Instructions

You have the option of using the regular or annualized income installment method to figure your estimated tax penalty. You may be able to reduce or eliminate the amount of one or more of your required installments by using the annualized income installment method if your income varied during the year. For example, you operated a business on a seasonal basis. You must use form IA 2210 and Schedule A1 to figure the required installment amount to enter on line 12 of form IA 2210.

If you use Schedule A1 for any payment due date, you must use it for all payment due dates. To figure the amount of each required installment, Schedule A1 automatically selects the smaller of the annualized income installment or the regular installment (increased by the amount saved by using the annualized income installment method in figuring earlier installments).

To use the annualized income installment method, you must do all of the following:

1. Complete form IA 2210 and Schedule A1. Enter the amount from each column of line 28 of Schedule A1 in each column of line 12 of form IA 2210.
2. Check the box on line 73 of form IA 1040 indicating that you used the annualized income installment method.
3. Attach both form IA 2210 and Schedule A1 to your return.

Line-by-Line Instructions

Line 1 – Figure your net income for the months shown in each column heading. Include the sum of all gross income/loss for the period minus any adjustments to income for the period.

Line 4 – Enter your federal tax payments for the months shown in each column heading net of any refund received in the period. A net refund should be entered as a negative number.

Line 7 – Enter your Iowa itemized deductions for the months shown in each column heading. If you do not itemize, enter zero and skip to line 10.

Line 9 – Multiply line 7 by line 8 and enter the result on line 9. If line 3 is more than \$142,700 (\$71,350 if married filing separately), use following worksheet to figure the amount to enter on line 9.

1. Enter the allowable Federal itemized deductions as shown on line 13 of the Federal Schedule A1 itemized deductions worksheet or line 6 of federal Schedule A1..... 1. _____
2. Add the amounts for the period from Federal Schedule A, lines 4, 13, 19, plus any gambling losses and casualty or theft losses included on line 27 and enter here..... 2. _____
3. Enter the number from IA Schedule A1, line 8..... 3. _____
4. Multiply the amount on line 2 by line 3. 4. _____
5. Subtract line 4 from line 1. 5. _____
6. Add the amounts for the period from Federal Schedule A, lines 4, 9, 14, 18, 19, 26 and 27 and enter here. 6. _____
7. Multiply the amount on line 6 by the number on line 3..... 7. _____
8. Subtract line 4 from line 7. 8. _____
9. Divide line 5 by line 8 and enter the percentage here. 9. _____
10. Enter the amount of Iowa income tax for the period that is included in line 5 of the Federal Schedule A. 10. _____
11. Multiply the amount on line 10 by the number on line 3.... 11. _____
12. Multiply line 11 by the percent on line 9. 12. _____
13. Subtract line 12 from line 1. Enter the result here and on Schedule A1, line 9. 13. _____

Line 10 – Enter the full amount of the standard deduction for your filing status in each column, even if you itemized deductions.

Line 13 – Compute the tax using the tax tables.

Line 14 – Enter the Iowa Lump-Sum Tax and Iowa Minimum Tax you owed because of events that occurred during the months shown in each column heading.

Figure your Iowa minimum taxable income based on your income and deductions during the months shown in each column heading. Multiply this amount by the annualized amounts shown on line 2 before subtracting the alternative minimum tax exemption amounts. See form IA 6251, Iowa Minimum Tax Computation.

Line 16 – Enter in each column your exemption credit amounts from form IA 1040, line 47.

Line 17 – Enter the credits from your IA 1040, lines 48, 49, 52, and 54, that you are entitled to because of events that occurred during the months shown in the column headings. Do not annualize any credit. However, when figuring your credits, you must annualize any item of income or deduction used to figure the credit. The nonresident or part-year resident credit must be computed as shown below.

Nonresident or Part-year Resident Credit: This credit must be computed on the IA126 for each period as follows:

1. Figure the Iowa-source gross income less any adjustments for the period. Multiply this income figure by the number for the corresponding period on line 2 of Schedule A1 and enter on line 26 of form IA 126.
2. Enter the amount from line 3 of Schedule A1, on line 27 of form IA 126.
3. Calculate the Iowa income percentage and the nonresident/part-year resident credit percentage on lines 28 and 29 of form IA 126.
4. Enter the tax amount for the period from line 13 of Schedule A1, on line 30 of form IA 126.
5. Sum the credits from lines 16 and 17 of Schedule A1 that represent lines 47-49 of form IA1040. Enter this figure on line 31 of form IA 126.
6. Compute the nonresident/part-year resident credit by subtracting the credits on line 31 of form IA 126 from the tax on line 30 of form IA 126, multiply this figure by the percentage on line 29. Enter this number on line 17 of IA Schedule A1.

Please attach a worksheet or tax form showing the calculations for each credit claimed on line 17.

Line 18 – Enter the credits from your IA 1040, lines 63, 64, 65, and 66, that you are entitled to because of events that occurred during the months shown in the column headings. Do not annualize any credit. However, when figuring your credits, you must annualize any item of income or deduction used to figure the credit.

Out-of-state tax credit, form IA 130 must be computed for each period. The gross income taxed by the other state/country, line 1 of the IA 130, must be annualized by multiplying by the annualization factor for the period. The gross income for residents, line 2 of the IA 130, is the amount on line 3 of the IA Schedule A1 (if a part-year resident the amount would be taken from line 15 of the IA 126) for the period. The tax, line 4 of the IA 130, is the amount on line 13 of IA Schedule A1 for the period. The total tax imposed by the other state/country must be multiplied by a ratio of gross income taxed by the other state/country for the period to total gross income taxed by other state/country. Example: Fred, a full-year resident, had \$100,000 of income taxed by another state. The other state's tax imposed was \$4,000 for the year. For the period 1/1/04 to 3/31/04, the income taxed by the other state was \$25,000. The computation for the tax imposed for the period 1/1/04 to 3/31/04 is (\$4,000 times the annualization factor of $4.0 \times 25,000/100,000$).

Please attach a worksheet or tax form showing the calculations for each credit claimed on line 18.

Line 28 – Enter these amounts on line 12, form IA 2210.